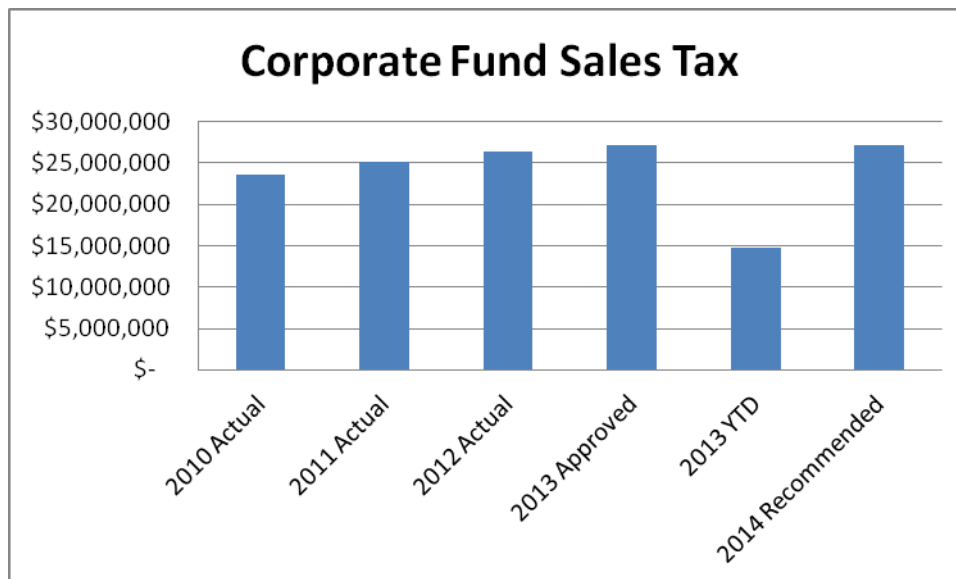


Sales and Other Taxes

The County receives around 20% of its total revenue from sales taxes and other various tax revenues. Below is a list of some of the more significant revenues within this category.

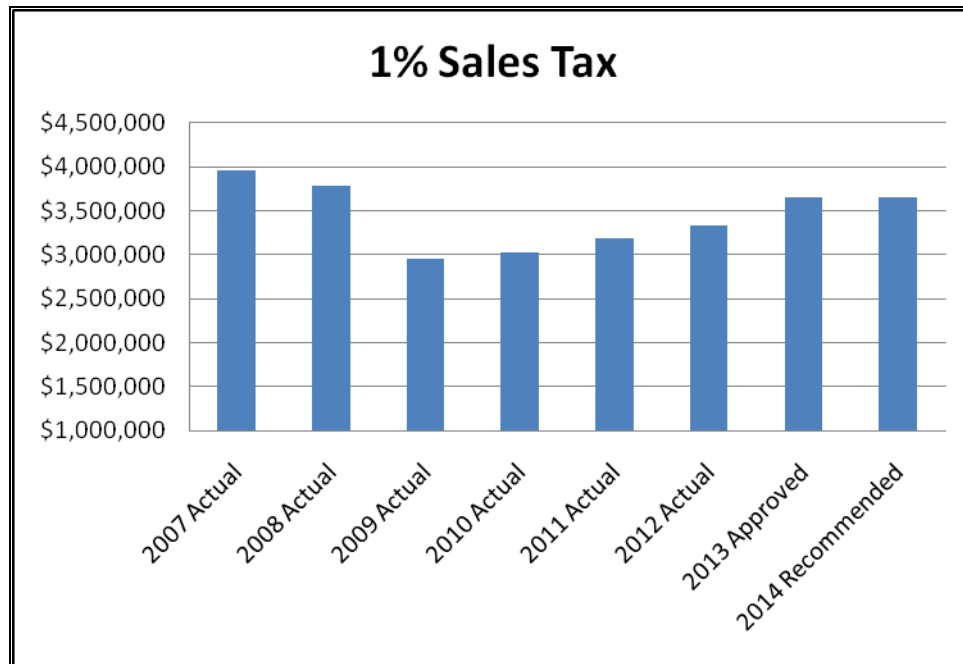
Sales Tax

Sales tax is a major economic revenue for Lake County. The 1% Sales Tax is applied to purchases in unincorporated Lake County and the $\frac{1}{4}$ % Sales Tax is applied to purchases County-wide. These are the only sales taxes in the Corporate Fund. These economically sensitive revenues have shown a steady growth, even in the last few years. However, this slow growth seems to have tapered off and, through seven months of FY2013 receipts, it does not appear that these two sales tax revenues will meet the FY2013 budget. Therefore, the budget for FY2014 has been kept the same as the approved FY2013 budget as shown in the chart below. The $\frac{1}{4}$ % Sales Tax for Transportation is not included in this analysis.



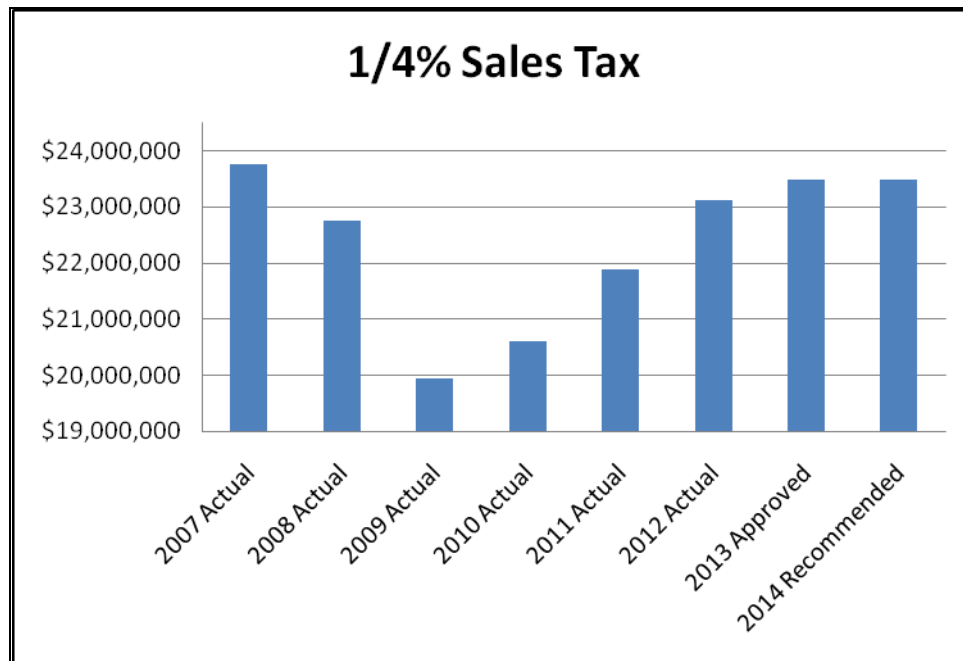
1% Sales Tax

The 1% Sales Tax is collected on general merchandise and qualifying food, drug, and medical appliances purchased in the unincorporated areas of Lake County. As mentioned above, this revenue stream is impacted by economic conditions as well as changes in unincorporated area (e.g., annexations). This 1% sales tax accounts for approximately 5% of this Sales and Other Tax revenue category. Though it is unlikely that receipts will meet the FY2013 budgeted amounts, the FY2014 budget remained the same.



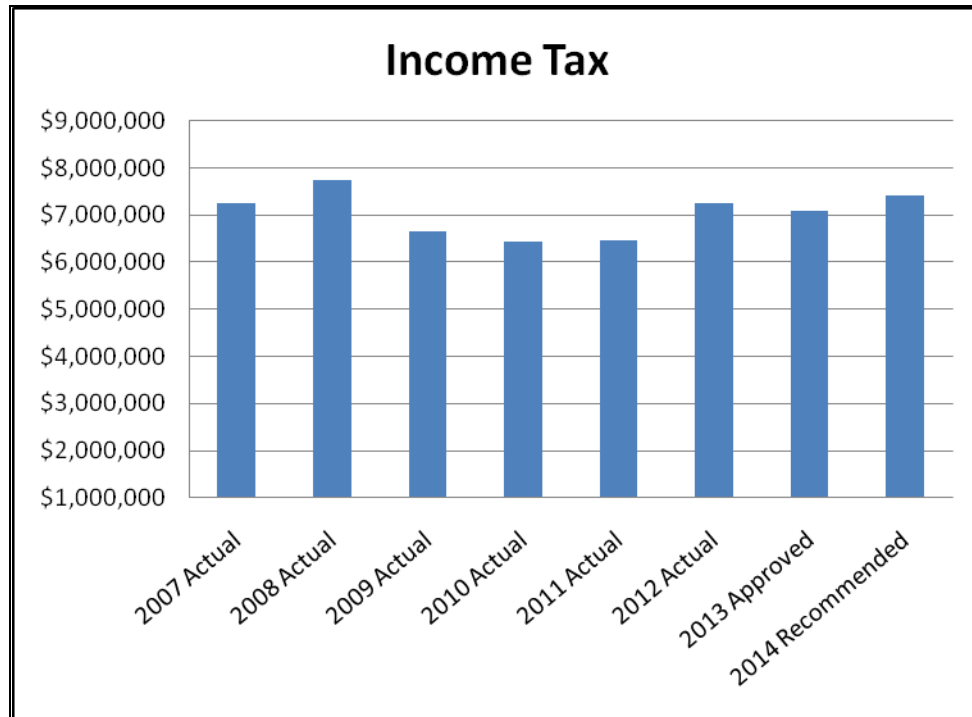
1/4% Sales Tax

This tax is collected on all general merchandise purchased anywhere in Lake County and accounts for 29% of total Sales and Other Tax revenue. This revenue stream fluctuates with economic conditions. As discussed above and due to historical trending, level activity is projected for FY2014.



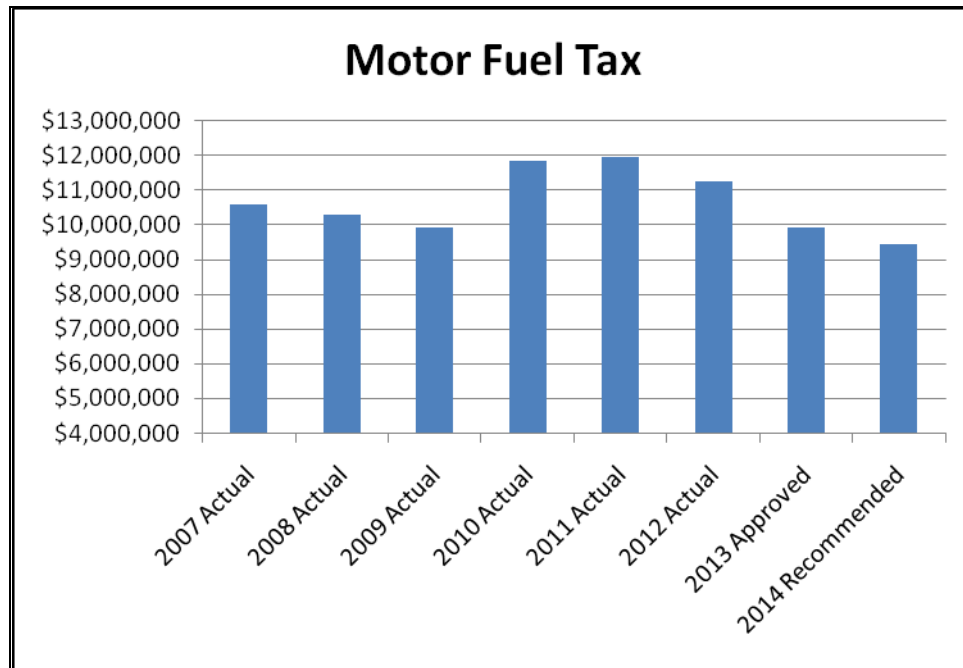
Income Tax

The County's share of the state income tax is based on population and accounts for 9% of tax revenue. After dipping in the last few years with higher unemployment rates, income tax revenues are expected to increase slightly over the FY2013 approved amounts.



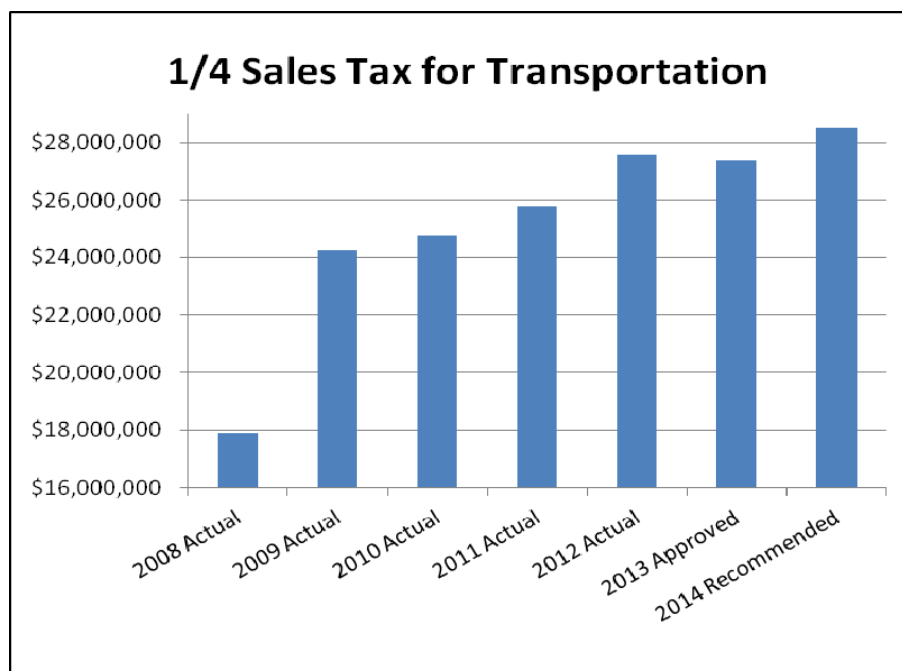
Motor Fuel Tax

The State's gasoline tax rate is \$0.19/gallon and \$0.21/gallon for diesel. In addition, a \$0.03/ gallon Underground Storage charge and \$0.08/gallon Environmental Impact Fee is assessed. The State distributes a portion of the tax receipts to fund state and local construction projects. Localities receive 54.4% of that balance. Of this percentage, Counties that have a population of less than one million each receive a portion of 16.47%. These funds are used for construction and engineering projects and make up 12% of total tax revenue. FY2014 motor fuel tax revenues are expected to decrease slightly compared to the FY2013 approved amount.



¼% Sales Tax for Transportation

The state collects a 0.75% general sales tax on purchases of general merchandise and qualifying food, drugs, and medical appliances, on behalf of the Regional Transit Authority (RTA). The goods and services to which this tax applies is different than that of the other sales tax categories discussed above. The County receives a portion (25%) of the amount collected. This source of funds makes up 34% of total sales tax revenue. Based on current trending and anticipated mild growth, FY2014 revenues are projected to increase over FY2013 approved revenues as indicated in the following chart.



Intergovernmental Revenue

The County receives 17% of its revenue from intergovernmental sources. These revenues mostly consist of reimbursements from other government entities for services provided by the County. A large portion of these revenues come from Illinois Public Aid Reimbursements, for services provided at both the Health Department and Winchester House at a state or federally determined rate.

The County is also reimbursed from various federal grants to provide employment services through the County's Workforce Development program as well as housing assistance provided by Community Development (also known as Housing and Urban Development or the HUD Fund). These revenues are budgeted by examining grant agreements and monitoring changes in legislation that might impact program funding. For instance, the FY2014 budget reflects an \$832K decrease to the Workforce Development budget due to WIA formula grant reductions.

Charges for Services

Charges for Services account for 18% of total County revenue. This represents revenue charged for services provided by various County departments. Fees are adjusted as necessary to account for the increase in costs of providing County services. Trends for fees are estimated by examining workloads, accounting for fluctuations in seasonality, and comparing to prior years' trends. Charges for water usage in the Public Works department accounts for the largest component of this revenue source.

Other charges for services may include medical/dental fees at the Health Department and/or Winchester House, various fees for recording documents and obtaining records, court fees, and fees related to environmental health or permitting. Overall, FY2014 charges for service are projected to be greater than the FY2013 approved amounts. Most activity has remained level however, in FY2014, the number of recordings is expected to increase by 7% resulting in additional revenue in several charges for services accounts such as recording, GIS and recorder automation fees.